

July 17, 2020

**VIA ELECTRONIC MAIL**

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**RE: Docket 3476 – Gas Service Quality Plan**  
**Request for Relief of Penalty Because of Exogenous Events**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”), and in accordance with Order No. 17605, this letter and enclosed testimony<sup>1</sup> represent a request for relief of penalty under the Gas Service Quality Plan (“SQP”).

Specifically, the Company is (i) reiterating its request for relief of penalty that was made on November 4, 2019 as part of the Company’s SQP First Quarter Report for Fiscal Year (“FY”) 2020 (“Q1”); and (ii) submitting a request for partial relief of penalty in connection with the Company’s SQP Second Quarter Report for FY 2020 (“Q2”).

In support of the Company’s requests, please see enclosed pre-filed direct testimony of Amy Smith, Director, New England. As explained in Ms. Smith’s testimony, the Company incurred a penalty of \$91,008.47 in Q1 and a penalty of \$273,337.08 in Q2. For Q1, the Company is reiterating its request for relief due to issues related to the Gas Business Enablement (“GBE”) rollout and is seeking relief of the full Q1 penalty. For Q2, the Company is seeking partial relief of penalty based on an exogeneous event during which the Company received twelve (12) gas leak calls in an hour on December 25, 2019 (referred to in the testimony as the “Christmas Day Event”). The partial relief, if granted, would reduce the Q2 penalty of \$273,337.08 to \$66,000.00.

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<sup>1</sup> Per practice during the COVID-19 emergency period, the Company is providing a PDF version of this filing. The Company will provide the Commission Clerk with hard copies and, if needed, additional hard copies of the filing at a later date.

Luly E. Massaro, Commission Clerk  
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Thank you for your attention to this filing. If you have any questions or concerns, please do not hesitate to contact me at 401-784-4263.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew S. Marcaccio".

Andrew S. Marcaccio

Enclosures

cc: Docket 3476 Service List  
John Bell, Division  
Leo Wold, Esq.

**DIRECT TESTIMONY**

**OF**

**AMY SMITH**

**July 17, 2020**

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1 **I. Introduction**

2 **Q. Please state your name and business address.**

3 A. My name is Amy Smith. My business address is 40 Sylvan Road, Waltham,  
4 Massachusetts 02451.

5  
6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by National Grid USA Service Company, Inc. (Service Company) as the  
8 Director, New England Jurisdiction. I am the New England state jurisdictional lead for  
9 all gas system issues, including those related to the capital investment strategies for  
10 Narragansett Electric Company, d/b/a National Grid (National Grid or the Company). In  
11 my role, I work closely with the Rhode Island Jurisdictional President and Jurisdiction  
12 staff on all local gas issues related to the Rhode Island gas system in the Rhode Island  
13 service territory. My responsibilities include working with regulators on issues related to  
14 the gas system, developing strategies to support Company objectives regarding  
15 investment in the gas system, and providing testimony regarding capital investments in  
16 National Grid's gas system during state regulatory proceedings.

17  
18 **Q. Please describe your educational background and professional experience.**

19 A. In 1982, I graduated from Simmons College with a Bachelor of Arts in Economics and  
20 Mathematics. In 1991, I joined Boston Gas Company (now National Grid) as an analyst

21

1 in Gas Supply Planning. Since that time, I have held a variety of positions in Rates and  
2 Regulation, Performance Measurement, Credit and Collections, Customer Regulatory  
3 Relations, Emergency Dispatch, Gas Resource Planning, Network Strategy, Construction,  
4 Gas Pipeline Safety and Compliance and Gas Investment, Resource and Rate Case  
5 Planning. I assumed my current position on April 1, 2019. In addition, from 1984 to  
6 1989, I worked for the Massachusetts Department of Public Utilities (the Department).

7  
8 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**  
9 **(PUC) or any other regulatory commission?**

10 A. Yes. I filed testimony in the recent Gas Infrastructure, Safety, and Reliability Plan FY  
11 2021 Proposal (Docket 4996). In 2019, I filed testimony with the PUC in support of the  
12 Company's Reconciliation of the FY 2019 Infrastructure, Safety, and Reliability Plan. In  
13 2011 and 2012, I testified at the PUC in support of the Company's Gas Infrastructure,  
14 Safety, and Reliability Plans. In 2011, I testified at a technical session in support of the  
15 Company's first Gas ISR Plan and presented the Company's five-year capital plan along  
16 with an explanation of how the existing Accelerated Replacement Program (ARP) would  
17 be closed out and transitioned to the new Gas ISR Plan (Docket 4219). In 2012, I also  
18 testified at a technical session in support of the Company's Gas ISR Plan for FY 2013  
19 and addressed regulatory reporting requirements. (Docket 4306).

20

1 In Massachusetts, before the Department of Public Utilities (the Department) and on  
2 behalf of Boston Gas Company (Boston Gas) and Colonial Gas Company (Colonial Gas),  
3 each d/b/a National Grid (collectively National Grid or the MA Companies), I have filed  
4 testimony and related exhibits in support of capital investment and gas safety and  
5 reliability proposals in the MA Companies' last two base rate increase proceedings,  
6 dockets D.P.U. 17-170 and D.P.U 10-55, respectively. I also filed testimony in support of  
7 the MA Companies' Targeted Infrastructure Replacement Factor filing in docket D.P.U.  
8 11-36. In 2008, I testified at the Department regarding low-income credit and collections  
9 practices in docket D.P.U 08-4. In 2005, I testified at a technical session at the  
10 Department in support of the MA Companies' service quality performance in docket  
11 D.P.U. 04-116. I have also testified before the New Hampshire Public Utilities  
12 Commission.

13  
14 **II. Purpose and Structure of Testimony**

15 **Q. What is the purpose of your testimony in this docket?**

16 A. The purpose of my testimony is: (i) To provide additional background in support of the  
17 Company's request for relief of penalty that was made on November 4, 2019 as part of  
18 the Company's Gas Service Quality Plan (the Service Quality Plan) First Quarter Report  
19

1 for FY 2020<sup>1</sup> (Q1); and (ii) To submit a request for partial relief of penalty in connection  
2 with the Company's Service Quality Plan for the Second Quarter of Fiscal Year 2020  
3 (Q2).

4  
5 The Service Quality Plan for Q1 and Q2 show the results of the Company's performance  
6 for its gas operations during the period of July 1, 2019 through September 30, 2019, and  
7 the period of October 1, 2019 through December 31, 2019, respectively. My testimony  
8 explains the Company's performance in connection with the service quality measures for  
9 Leak-Call Responsiveness. In particular, my testimony demonstrates that the Company's  
10 Q1 penalty for Leak-Call Responsiveness-During Normal Business Hours and the  
11 Company's Q2 penalty for Leak-Call Responsiveness - After Business Hours should be  
12 eliminated or reduced as a result of separate exogenous events.

13  
14 **Q. How is the testimony structured?**

15 A. Section I of my testimony presents the introduction. Section II describes the purpose and  
16 structure of my testimony. Section III provides additional support for the Company's  
17 request for relief that was submitted to the PUC on November 4, 2019 in connection with  
18 the Company's Q1 performance. Section IV represents the Company's request for partial  
19 relief in connection with the Company's Q2 performance, including the background and  
20 reasons for the request. Section V is the conclusion of my testimony.

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<sup>1</sup> Under Docket No. 3476, the fiscal year is July 1 through June 30.

1 **III. Additional Support for the Company's Q1 Request for Relief**

2 **Q. What was the request that the Company made on November 4, 2019?**

3 A. On November 4, 2019, the Company filed its Service Quality Plan Q1 Report. As part of  
4 that filing, the Company requested relief from the penalty it incurred for Q1 as a result of  
5 an exogenous event. The filing letter explained that the Company's July and August  
6 performance for Leak-Call Response during Normal Business Hours fell slightly below  
7 the penalty threshold as a result of an exogenous event, namely the Gas Business  
8 Enablement (GBE) rollout. And, but for the issues identified during the GBE rollout, the  
9 Company would have met its benchmarks for Leak-Call Response during Normal  
10 Business Hours.

11

12 **Q. Do you support and reiterate the Company's Q1 request for relief of penalty based**  
13 **on the GBE Rollout?**

14 A. Yes.

15

16 **Q. Can you provide background on the Service Quality Plan?**

17 A. The purpose of the Service Quality Plan is to ensure that the Company's gas customers  
18 receive a reasonable level of service. The Service Quality Plan is comprised of the  
19 following five key aspects: service measures, benchmark standards, a penalty amount for  
20 not meeting the benchmark standards, the penalty weight for each measure, and the time  
21 period for measuring performance to assess a penalty. To meet these standards, the

1 Company's Service Quality Plan includes the following eight service quality measures to  
2 monitor the quality of service to customers: Abandoned Call Rate; Average Speed of  
3 Answer; On-Cycle Meter Reads; Testing of Meters; Customer Requested Meter Tests  
4 Completed; Service Appointments Met as Scheduled; Leak Call Responsiveness –  
5 Normal Business Hours; and Leak Call Responsiveness – After Business Hours.

6  
7 **Q. What is measured through the service quality measures for Leak Call**  
8 **Responsiveness?**

9 A. These service quality measures are related to customer safety. The first measure  
10 monitors the percentage of leak calls responded to within 30 minutes during normal  
11 business hours. The second measure monitors the percentage of leak calls responded to  
12 within 45 minutes during non-business hours.

13  
14 **Q. What are the current benchmarks for Leak-Call Responsiveness?**

15 A. The quarterly performance benchmark for Leak Call Responsiveness during Normal  
16 Business Hours and After Business Hours is 95.38% and 95.27%, respectively, with  
17 penalty thresholds of 93.97% and 94.38%.<sup>2</sup> The Company has consistently achieved or  
18 exceeded the benchmarks for Leak Call Responsiveness in prior fiscal years.

19  

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<sup>2</sup> These benchmarks are based on the historical calculation method for Leak-Call Response reports where Normal Business Hours are defined as Monday-Friday 8:00 a.m. to 4:30 p.m. (excluding holidays).

1 **Q. Can you summarize the Company's Q1 performance for Leak Call Responsiveness**  
2 **– Normal Business Hours during the period of July 1, 2019 through September 30,**  
3 **2019?**

4 A. Yes. The Company's first quarter performance for this metric was greater  
5 than one standard deviation. For this period, the Company achieved a performance rate  
6 during Normal Business Hours of 93.54%. This is below the established benchmark of  
7 95.38% and the penalty threshold of 93.97%. As a result, the Company incurred a penalty  
8 of \$91,008.47 for Leak Call Responsiveness – Normal Business Hours.

9  
10 **Q. Why did the Company's first quarter performance fall below the benchmark for**  
11 **Normal Business Hours?**

12 A. The temporary decline in the Company's performance directly correlated to issues  
13 identified during the rollout of the GBE platform during July and August 2019. The  
14 Company actively worked to remedy those issues and identify improvement opportunities  
15 during the GBE rollout, which was reflected in the Company's performance during  
16 September 2019, in which the Company exceeded the benchmark.<sup>3</sup> While the Company's  
17 second quarter performance was also impacted by ongoing issues related to the GBE  
18 rollout, the Company has, and continues to, actively work to remedy those issues with  
19

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<sup>3</sup> See the Company's First Quarter Report – FY 2020, Attachment 1, Page 1, Column 3, which was filed on November 4, 2019.

1 long-term and short-term temporary solutions, and to pursue improvement opportunities  
2 identified during the GBE rollout. This includes, but is not exclusive to, daily reviews of  
3 leak-call response Key Performance Indicators (KPI's) to address the underlying causes  
4 of missing 30-minute and 45-minute response times, along with optimizing appointment  
5 scheduling and staffing. This is reflected in the Company's third quarter performance, in  
6 which the Company met or exceeded the benchmark.<sup>4</sup>  
7

8 **Q. Is the Company seeking relief from the penalty it incurred during Q1 due to the**  
9 **issues related to GBE rollout?**

10 A. Yes. The Company incurred a penalty of \$91,008.47 attributable to Leak Call  
11 Responsiveness – Normal Business Hours. The Company is seeking relief from this  
12 penalty due to the issues related to GBE rollout.  
13

14 **Q. Why is the Company making this request for relief from the Q1 penalty?**

15 A. Pursuant to Order No. 17605 in Docket No. 3476, if the Company “contends that an  
16 exogenous event or a force majeure occurred, it must seek relief from the Commission  
17 and the burden of proof will be on [the Company].” The Company contends that the  
18 issues experienced during the GBE rollout during the first quarter constitute an  
19 exogenous event. As such, the Company seeks relief from the penalty associated with

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<sup>4</sup> See the Company's Third Quarter Report – FY 2020, Attachment 1, Page 1, Column 4, which was filed on April 30, 2020.

1 not meeting the quarterly benchmark for Leak Call Responsiveness – During Normal  
2 Business Hours, which is the direct result of the issues identified during the GBE rollout.  
3

4 **Q. Why is the GBE rollout an exogenous event?**

5 A. The Company’s July and August performance for Leak-Call Response during Normal  
6 Business Hours fell slightly below the penalty threshold for this metric due to an  
7 exogenous event, namely the GBE rollout because, but for the issues identified during the  
8 rollout, the Company would have met the metric. This is evident in that the Company has  
9 consistently met this metric in the months prior to the GBE rollout (and in prior fiscal  
10 years), and, again during the post-GBE rollout as reflected in the Company’s  
11 performance results for September. The issues related to GBE were not foreseeable to the  
12 Company at the time of the GBE rollout. As discussed above, the Company continues to  
13 remedy those issues and identify improvement opportunities, which is reflected in the  
14 Company’s third quarter performance.  
15

16 **IV. Request for Partial Relief of Q2 Penalty**

17 **Q. Can you summarize the Company’s Q2 performance for Leak Call Responsiveness-**  
18 **After Business Hours during the period of October 1, 2019 through December 31,**  
19 **2019?**

20 A. Yes. For this period, the Company received 1,244 leak calls outside or after normal  
21 business hours. The Company responded to 1,164 of those calls within 45 minutes or

1 less which is an achievement rate of 93.57%. This is below the benchmark of 95.27%  
2 and below the penalty threshold of 94.38%. As a result, the Company incurred a penalty  
3 of \$273,337.08 (as corrected<sup>5</sup>) for Leak Call Responsiveness – After Business Hours.  
4

5 **Q. Is there a set of leak calls for which you would like to provide additional**  
6 **background?**

7 A. Yes. On Christmas Day (Wednesday, December 25, 2019 – Company Holiday), the  
8 Company received twelve (12) odor calls between 17:00 and 18:00 (5:00 p.m.-6:00 p.m.).  
9 Of the twelve odor calls, seven (7) came from a concentrated area of East Providence  
10 (these seven calls are referred to herein as the Christmas Day Event). The resulting  
11 investigation of each East Providence odor call was “No Leaks Found.” There was no  
12 clear indication as to the source of the foreign odor.  
13

14 **Q. How did Christmas Day Event impact the service quality measures for Leak-Call**  
15 **Responsiveness?**

16 A. The Company incurred nine (9) misses between 17:00 and 18:00 on December 25, 2019.  
17 A miss is when the Company is unable to respond within the allotted time as set forth in  
18 the service quality standard, which in this case is forty-five (45) minutes for after hours.

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<sup>5</sup> When calculating the penalty for Leak-Call Responsiveness-After Business Hours for the Second Quarter – FY 2020, the Company had keyed the achievement rate as 93.5651% instead of the accurate achievement rate of 93.5691%. Correcting this keying error results in a reduced penalty for Leak-Call Responsiveness-After Hours from \$274,685.39 to \$273,337.08. See the Company’s Third Quarter Report – FY 2020, Attachment 1, Page 1, Footnote 2, which was filed on April 30, 2020.

1           These nine (9) misses contributed to a lower Leak-Call Responsiveness After Hours  
2           achievement rate. But for the Christmas Day Event, the Company believes it would have  
3           been able to respond to other odor calls received between 17:00 and 18:00 within the  
4           allotted 45-minutes. Thus, the number of leaks to which the Company timely responded  
5           during after business hours would have increased and the number of misses would have  
6           decreased resulting in an increased Leak-Call Responsiveness After Hours achievement  
7           rate.

8  
9   **Q.    Is the Company seeking relief from penalty due to the Christmas Day Event?**

10  A.    Yes. The Company incurred a penalty of \$273,337.08 (as corrected<sup>6</sup>) attributable to Leak  
11       Call Responsiveness – After Normal Business Hours. The Company is seeking relief  
12       from this penalty due to the Christmas Day Event.

13  
14  **Q.    How much relief is the Company seeking due to the Christmas Day Event?**

15  A.    As previously mentioned, the Company received twelve (12) calls in a one-hour stretch,  
16       seven (7) of which stem from the Christmas Day Event. The Company ended up with  
17       three (3) makes and nine (9) misses. The Company believes, that had the Christmas Day  
18       Event been one (1) call instead of seven (7), it would have responded to that one call plus  
19       four (4) of the other five (5) calls within the allotted 45 minutes for after business hours.  
20       (The Company is not seeking relief for the miss at Regina Drive, Cranston.) Therefore,

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<sup>6</sup> See Footnote 5.

1 the Company is seeking to replace the three (3) makes and nine (9) misses with five (5)  
2 makes and one (1) miss. This would result in a penalty of \$66,000.00 for Leak-Call  
3 Responsiveness After Hours instead of \$273,337.08, a difference of \$207,337.08.  
4

5 **Q. Why is the Company making this request for relief from the penalty?**

6 A. As discussed above, pursuant to Order No. 17605 in Docket No. 3476, if the Company  
7 “contends that an exogenous event or a force majeure occurred, it must seek relief from  
8 the Commission and the burden of proof will be on [the Company].” In this case, the  
9 Christmas Day Event is an exogenous event.  
10

11 **Q. Why is the Christmas Day event an exogenous event?**

12 A. The Christmas Day Event was an unforeseen situation that hindered the Company’s  
13 ability to respond to leak calls within the allotted forty-five (45) minutes. It is highly  
14 unusual for the Company to receive twelve (12) calls in an hour. The average amount of  
15 calls per hour ranges from approximately 1 call per hour to 2.4 calls per hour.<sup>7</sup> And, over  
16 the 2.5 year period leading up to FY 2020,<sup>8</sup> there were only three instances during which  
17 the Company received more than eleven (11) leak calls in an hour. But for this rare and  
18 unexpected occurrence of the Christmas Day Event, the Company believes it would have  
19

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<sup>7</sup> Data from January 2017 through July 2019.

<sup>8</sup> Data from January 2017 through July 2019.

1           been able to respond to other odor calls received between 17:00 and 18:00 within the  
2           allotted 45-minutes.

3

4   **V.   Conclusion**

5   **Q.   Does this conclude your testimony?**

6   **A.   Yes**